

Multiple Agency Fiscal Note Summary

Bill Number: 6445 E S SB	Title: I-5 Columbia river crossing
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Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Department of Transportation	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Transportation Commission	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

Prepared by: Paul Ingiosi, OFM	Phone: (360) 902-9822	Date Published: Final 2/20/2012
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 32190

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 6445 E S SB	Title: I-5 Columbia river crossing	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: David Munnecke	Phone: 360-786-7315	Date: 02/15/2012
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/15/2012
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/15/2012
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 02/15/2012

Request # 132-1

Bill # 6445 E S SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

ESSB 6445 creates the Columbia river crossing project account and allows the account to retain its earnings from investments.

Earnings from investments:

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings.

For illustrative purposes, assume based on the November 2011 Revenue Forecast that the net rate for estimating earnings for FY 11 is 0.25%, FY 12 is 0.10%, and FY 13 is 0.10%. Approximately \$2,500 in FY 11, \$1,000 in FY 12, and \$1,000 in FY 13 in net earnings and \$5,000 in fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ESSB 6445 creates the Columbia river crossing project account and allows the account to retain its earnings from investments.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6445 E S SB	Title: I-5 Columbia river crossing	Agency: 405-Department of Transportation
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: David Munnecke	Phone: 360-786-7315	Date: 02/15/2012
Agency Preparation: Helena Kennedy Smith	Phone: 206-464-1226	Date: 02/17/2012
Agency Approval: Craig Stone	Phone: 206-464-1222	Date: 02/17/2012
OFM Review: Paul Ingiosi	Phone: (360) 902-9822	Date: 02/20/2012

Request # 12-077-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 2 of this proposal would authorize the initial imposition of tolling on the I-5 Columbia River Crossing (CRC) project. The portion of the project that could be tolled is between State Route 500 interchange in Vancouver, Washington and the Victory Boulevard interchange in Portland, Oregon. The proposal specifies that I-205 may not be tolled. Tolls may be charged on both the existing and replacement I-5 bridges. Toll funding may only be used as allowed under RCW 47.56.820. Additionally, the total cost of the CRC project may not exceed \$3.413 million.

Section 3 creates the CRC Project Account in the state treasury into which toll revenue, bond proceeds, interest, etc will be deposited.

Section 4 provides the Washington's Transportation Commission authority to enter into agreements with Oregon's Transportation Commission regarding mutual or joint toll rate setting, although any such agreement is not binding until 30 days after adjournment of the next ensuing regular legislative session.

Section 5 requires that the CRC Project Account receives its proportional share of interest earnings.

Section 7 requires that prior to collecting tolls on the CRC project, the Secretary of Transportation must certify that the Washington State Department of Transportation (WSDOT) has received sufficient funding to complete construction of the project phase that includes the bridge and landings. The Secretary must also certify that the Washington's Transportation Commission has entered into an agreement with Oregon's Transportation Commission. If the secretary does not certify by December 31, 2015, this act is null and void.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Cash receipts from tolling cannot be projected until the Transportation Commission has set the toll rates for the CRC. Additionally, cash receipts would be dependent on the number of travelers who chose to use this facility versus alternative routes. The estimates provided for this fiscal note are for the total amount of cash receipts collected for the CRC. WSDOT has not made any assumptions on how this revenue will be allocated between Washington State and Oregon State.

For the purpose of this fiscal note, WSDOT assumes that pre-completion tolling would begin no earlier than July 1, 2014 (FY 2015) and that regular tolling would begin on July 1, 2018 (FY 2019). Current revenue and expenditure projections are based on work done in the summer of 2011 as part of the final environmental impact statement (FEIS) process. The FEIS assumed that tolls would vary by time of day. Additional traffic forecasts and revenue analysis will be required when toll rates are set to reflect the latest economic conditions.

Tolling estimates will differ between the pre-completion phase, when the new bridge is under construction, and the post-construction phase, when regular tolling will begin. Only one pre-completion toll scenario was tested for FEIS, with

a maximum peak period toll of \$2.00 (in 2006 dollars), from FY 2015 through FY 2018. Adjusted gross toll revenue is estimated to be \$77.0 million in FY 2015.

In the FEIS, the maximum peak period toll is assumed to be between \$2.00 and \$3.00 (in 2006 dollars) at the time that regular tolling begins in FY 2019. Adjusted gross toll revenues after transponder sales, fees, and uncollectible accounts/leakage would be between \$111 million and 127 million in FY 2019, depending on which toll scenario is assumed. These estimates assume that pre-completion tolls would be collected on the existing bridge starting in mid-2014 (FY 2015). If pre-completion tolls are not collected, the gross toll revenues for FY 2019 would be 15 percent less due to ramp-up.

The department assumes that tolling CRC will result in more Good to Go! accounts, and the sale of additional transponders. Revenue from transponder sales is intended to offset the cost of the transponders, including shipping costs.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The department is not required to toll; however, for the purpose of this fiscal note, WSDOT has provided estimates as if tolling were implemented. The currently available operating cost estimates are from work done in 2011. Additional analysis will be required closer to the start of tolling in order to update expenditure impacts based on revised traffic and revenue estimates and on updated information about new customer service contracts, insurance estimates, postage rates, etc.

The expenditure estimates provided for this fiscal note are for the total cost to operate and maintain the CRC. WSDOT has not made any assumptions on how expenditures will be allocated between Washington State and Oregon State.

For the purpose of this analysis, the department assumes net revenue streams will be used to pay debt service on bonds. From the gross revenue estimates, a number of ongoing expenditures are required by bondholders prior to determining the amount of net revenue that is available to pay debt service or contribute directly to project funding. Expenses would include:

- Toll collection costs include: customer service center; accounting and auditing; credit card fees; reporting; and oversight.
 - o Costs are assumed to be shared across all tolled facilities and then allocated to a corridor based on the relative number of transactions or revenues on a facility.
 - o Accounting, auditing, and reporting to two states may affect final cost estimates. This level of precision is currently not available.
- Toll facility insurance.
- Toll facility operations and maintenance.

In addition to the operational items listed above, there will be one-time operational investments to start up tolling on a new corridor. These include:

- Marketing and public outreach for new account holders and media relations.
- Initial rate setting support.

- Transponder expenditures.

In total, these expenditures are estimated to be between \$36 million and \$42 million annually, depending on which toll scenario is assumed.

The requirement for joint toll rate setting with the state of Oregon may have additional costs that are not included in these expenditure estimates. Without an agreement it is difficult to project the amount of work and level of outreach that will be required.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 6445 E S SB	Title: I-5 Columbia river crossing	Agency: 410-Transportation Commission
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: David Munnecke	Phone: 360-786-7315	Date: 02/15/2012
Agency Preparation: Paul Parker	Phone: (360)705-7118	Date: 02/16/2012
Agency Approval: Reema Griffith	Phone: 360-705-7070	Date: 02/16/2012
OFM Review: Jim Albert	Phone: (360) 902-0419	Date: 02/16/2012

Request # 12-014-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Through the rulemaking process, the Transportation Commission establishes toll rates on facilities authorized by the Legislature for tolling. This bill adds the Columbia River Crossing project to the list of authorized toll facilities, and authorizes tolls to be charged for travel on the existing and replacement Interstate 5 Columbia river bridges. Tolls may not be charged on any portion of I-205 and the cost of the project may not exceed three billion four hundred thirteen million dollars.

Section 4 states that the tolling authority may enter into agreements with the Oregon state transportation commission regarding mutual or joint setting, adjustment, and review of toll rates. Any such agreement between the two transportation commissions will take effect 30 days after adjournment of the next legislative session.

Section 7 precludes toll collection until an agreement between the two commissions takes effect and the secretary of transportation certifies that sufficient funding is available to complete the bridge and landings.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Additional public meetings and outreach, as well as meetings with the department and legal staff, will increase workload and costs, but it is unknown by how much for each authorized toll facility that is added. The estimation of costs related to such things as technical support, attorney/legal support, travel, and meetings with the Oregon State Transportation Commission in order to enter into agreements regarding toll setting under Section 2 is difficult to estimate.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

None

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

The Transportation Commission adopts toll rates through the rulemaking process. Section 4 and Section 7 operate to require that the Commission, as the state tolling authority, enter into agreements with the Oregon state transportation commission regarding mutual or joint setting, adjustment, and review of toll rates.

Section 7 precludes toll collection until an agreement between the two commissions takes effect and the secretary of

transportation certifies that sufficient funding is available to complete the bridge and landings.